

EFG Holding EARNINGS RELEASE 3Q2024

INVESTOR RELATIONS

Cairo, November 20th, 2024

EFG Holding reports another strong quarter, with the Group net profit after tax and minority interest rising 76% Y-o-Y to reach EGP697 million in 3Q24. Group revenues rose 68% Y-o-Y to EGP5.0 billion, on higher revenues recorded by all lines of business. The Group's total assets stood at EGP189 billion at the end of September 2024.

MOHAMED ABDELKHABIR
Group Chief Financial Officer
mabdelkhabir@efg-hermes.com
Tel: +20 2 3535 6491



HANZADA NESSIM
Group Head of Corporate Strategy & IR
hnessim@efg-hermes.com
Tel: +20 2 3535 6502

INVESTOR RELATIONS CONTACTS

investor-relations@efg-hermes.com
Tel: +20 2 3535 6710

LISTINGS & SYMBOLS

The Egyptian Exchange

Reuters code: HRHO.CA

Bloomberg code: HRHO EY

London Stock Exchange (GDRs)

Reuters code: HRHOq.L

Bloomberg code: EFGD LI

Key Financial Highlights

EFG Holding

- ≡ Against a challenging backdrop, recuperated capital markets activity supported our fee income and enhanced our dealmaking capabilities, this took Group revenues upwards for a third quarter, with revenues growing a decent 68% Y-o-Y to reach EGP5.0 billion in 3Q24; underpinned by increasing revenues reported by all lines of business of the Group;
- ≡ The Group total operating expenses (including provisions & ECL) increased 63% Y-o-Y to EGP3.2 billion in 3Q24, stipulated by the increase in employee expenses and operating expenses. This increase reflects the EGP devaluation, and the elevated inflation impacts on salaries, the non-cash portion of employee expenses and all other operating expenses. Despite these effects, the Group employee expenses/revenues came at 39% in 3Q24, lower Q-o-Q;
- ≡ With the increase in Group revenues exceeding the increase in expenses, EFG Holding net operating profit rose 78% Y-o-Y in 3Q24. Group taxes more than doubled Y-o-Y, up 122% Y-o-Y, on higher deferred taxes on unrealized gains on seed capital and increasing tax charges related to Egyptian entities profitability; particularly at the Commercial Bank. However, EFG Holding shrugged off higher taxes impact on profitability, to report a net profit after tax and minority interest of EGP697 million in 3Q24, reflecting a 76% Y-o-Y increase.

EFG Hermes

- ≡ With another buoyant quarter, EFG Hermes revenues spiraled up 87% Y-o-Y to EGP2.7 billion in 3Q24; supported by higher revenues generated by all its lines of business; particularly Holding & Treasury Activities and Brokerage. Holding & Treasury Activities revenues rose 180% Y-o-Y, driven largely by unrealized gains on seed capital. The sell-side revenues gained 62% Y-o-Y, bolstered by strong growth in Brokerage and Investment Banking. Buy-side revenues rose 71%, mainly on the back of FIM's strong performance;
- ≡ EFG Hermes operating expenses rose 84% Y-o-Y to EGP1.9 billion in 3Q24, mainly due to higher employee expenses, followed by higher other operating expenses, and despite lower provisions & ECL. The increase in operating expenses portrays high inflation levels in Egypt, the sharp Y-o-Y EGP devaluation and its impact on Egypt expenses denominated in USD and higher expenses from regional offices;
- ≡ EFG Hermes net operating profit almost doubled Y-o-Y, up 95% Y-o-Y to EGP760 million in 3Q24; as revenue growth outpaced the growing expenses. Meanwhile, taxes rose 168% Y-o-Y, on higher profitability recorded by the Egyptian entities and higher deferred taxes on unrealized gains on seed capital. However, EFG Hermes net profit after tax and minority increased 68% Y-o-Y to EGP274 million.

EFG Finance

- Boosted by stronger sales, the NBFIs continued its strong revenue growth, with EFG Finance gaining 68% Y-o-Y to EGP1.1 billion in 3Q24, as all the platform's lines of business posted Y-o-Y growth; particularly Tanmeyah, followed by Valu and Leasing;
- Operating expenses increased 50% Y-o-Y to EGP809 million; (i) higher employee expenses, which was driven by inflationary pressure in Egypt; (ii) higher other operating expenses which echoes inflation in Egypt, the impact of USD denominated costs, and higher expenses related to stronger loans issuance at Valu; and (iii) higher provisions and ECL mirroring the increase in the portfolios, which reached EGP24.3 billion, up 61% Y-o-Y;
- EFG Finance recorded net operating profit of EGP311 million, up 142% Y-o-Y in 3Q24; as the increase in revenues outpaced the increase in expenses. With the increase in taxes coming at 26% Y-o-Y, net profits after tax and minority leaped 349% Y-o-Y to EGP203 million, supported by Tanmeyah and Leasing higher profitability.

BANK NXT

- The Commercial Bank continued its upwards trend, with its revenues, moving up 38% Y-o-Y to EGP1.2 billion in 3Q24; largely driven by higher net interest income, generated from interbank placements, loan book growth and t-bills returns;
- BANK NXT operating expenses including provisions & ECL rose 27% Y-o-Y to EGP517 million in 3Q24, on higher salaries on the back of promotions, new hires and inflation; together with higher other G&A expenses mainly related to IT expenses, rebranding, and outsourced services. Meanwhile, provisions & ECL declined 43% Y-o-Y, as the comparable quarter included higher provisions which were required to enhance coverage ratio;
- The Bank's net profit after tax added 20% Y-o-Y to EGP428 million (of which the Group's share is EGP220 million), as revenues growth outpaced the growth in expenses.



EFG Holding

The Group



Income Statement

Performance Overview

Group Performance Summary

<i>in EGP million</i>	3Q24	2Q24	3Q23	Q-o-Q	Y-o-Y	9M24	9M23	Y-o-Y
Net Operating Revenue	4,995	5,056	2,974	-1%	68%	18,615	10,526	77%
EFG Hermes	2,651	2,764	1,418	-4%	87%	11,625	6,046	92%
EFG Finance	1,120	1,053	666	6%	68%	3,259	1,976	65%
BANK NXT	1,224	1,239	890	-1%	38%	3,731	2,505	49%
Operating Expenses	3,217	3,354	1,974	-4%	63%	11,525	7,046	64%
Employees Expenses	1,971	2,132	1,131	-8%	74%	7,652	4,249	80%
<i>Employee Expenses/Operating Revenues</i>	39%	42%	38%			41%	40%	
Other Operating Expenses*	1,246	1,222	843	2%	48%	3,873	2,798	38%
Net Operating Profit	1,778	1,701	1,000	4%	78%	7,090	3,480	104%
Net Operating Margin	36%	34%	34%			38%	33%	
Net Profit (Loss) Before Tax	1,616	1,531	884	6%	83%	6,427	3,125	106%
Net Profit (Loss) After Tax & Minority Interest	697	791	395	-12%	76%	3,309	1,685	96%
EFG Hermes	274	305	163	-10%	68%	2,014	1,104	82%
EFG Finance	203	267	45	-24%	349%	613	170	261%
BANK NXT	220	219	187	1%	18%	683	411	66%

Source: EFG Holding Management Accounts

*Includes Other G&A and Provisions & ECL

3Q24

EFG Holding strong performance in the first two quarters of the year continued in the 3rd quarter, with Group revenues climbing 68% Y-o-Y to EGP5.0 billion; underpinned by positive performance recorded by its three verticals, as all its lines of business posted Y-o-Y growth.

The EGP devaluation impact on Y-o-Y expenses together with the elevated inflation levels in Egypt, triggered an increase of 63% Y-o-Y in total operating expenses (including provisions & ECL); which came at EGP3.2 billion in 3Q24. Salaries and operating expenses increased Y-o-Y to reflect Egypt salary increases, price increases and the translation of regional offices salaries and operating expenses. Additionally, the variable portion of employee expenses rose to echo the increase in revenues, devaluation and inflation. Despite that, the Group employee expenses/revenues came at 39% in 3Q24, lower Q-o-Q.

Provisions & ECL was largely flat, up 5% Y-o-Y, on higher provisions recorded by EFG Finance platform, which overshadowed lower provisions taken by the Investment and the Commercial Bank.

With the increase in revenues outpacing the increase in expenses, EFG Holding net operating profit and net profit before tax increased 78% Y-o-Y and 83% Y-o-Y, respectively. Group taxes more than doubled, up 122% Y-o-Y, on higher tax charges related to profitability generated by the Egyptian entities, particularly at the Commercial Bank; in addition to higher Y-o-Y deferred taxes on unrealized gains on seed capital.

Albeit the increase in taxes, EFG Holding net profit after tax and minority interest increased 76% Y-o-Y to EGP697 million, higher than the increase in revenues.

9M24

The first nine months of the year recorded buoyant performance, with revenues rising 77% Y-o-Y to EGP18.6 billion and net profits after tax & minority almost doubling Y-o-Y. This was steered by an improvement in revenues reported by all lines of businesses of the Group.

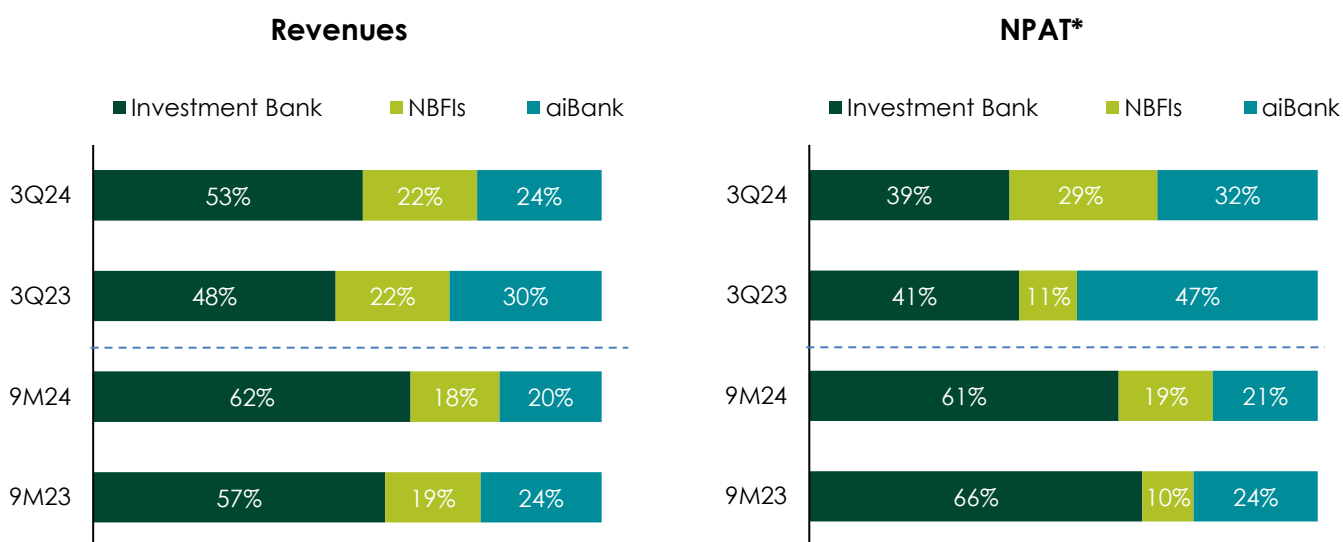
Higher employee expenses and operating expenses across all three platforms particularly at the Investment Bank, drove EFG Holding Group operating expenses (including provisions & ECL) up 64% Y-o-Y to EGP11.5 billion. Devaluation and inflation impact took its toll on salaries, the non-cash bonus provisions, and all operating expenses.

Worth noting, that despite the increase in salaries and the variable portion of the employee expenses, for both Egypt and Regional operations, employee expenses/revenues came at 41%.

Meanwhile, provisions and ECL were largely flat, inching up 2% Y-o-Y, as lower provisions & ECL on the Investment Bank and the Commercial Bank, were offset by higher ECL taken by EFG Finance.

Group profitability more than double, as EFG Holding Group net operating profit and net profit before tax, spiraled up 104% and 106%, respectively. Taxes rose 119% Y-o-Y, on higher deferred taxes and higher taxes on profits generated by the Egyptian entities. However, the increase in Group net profit after tax and minority interest surpassed the increase in revenues, to record EGP3.3 billion, up 96% Y-o-Y.

Contribution by Platform



*Net Profit After Tax and Minority Interest



EFG Hermes

The Investment Bank



Financial Overview

Performance Overview

	EFG Hermes Performance Summary							
<i>in EGP million</i>	3Q24	2Q24	3Q23	Q-o-Q	Y-o-Y	9M24	9M23	Y-o-Y
Investment Banking	210	1,778	70	-88%	201%	2,161	437	394%
Brokerage	1,223	1,104	815	11%	50%	3,534	2,081	70%
Sell-Side	1,433	2,883	884	-50%	62%	5,695	2,518	126%
Asset Management	360	301	198	20%	81%	901	440	105%
Private Equity	78	83	57	-6%	36%	220	193	14%
Buy-Side	437	384	256	14%	71%	1,121	632	77%
Holding & Treasury Activities	781	(503)	279	N/M	180%	4,809	2,896	66%
Net Operating Revenue	2,651	2,764	1,418	-4%	87%	11,625	6,046	92%
Employee Expenses	1,407	1,601	678	-12%	108%	6,058	3,005	102%
Other Operating Expenses*	484	517	351	-6%	38%	1,575	1,125	40%
Operating Expenses	1,891	2,118	1,029	-11%	84%	7,633	4,130	85%
Net Operating Profit	760	646	390	18%	95%	3,992	1,916	108%
Net Profit (Loss) Before Tax	688	573	323	20%	113%	3,596	1,742	106%
Net Profit (Loss) After Tax & Minority Interest	274	305	163	-10%	68%	2,014	1,104	82%

*Includes Other G&A, and Provisions & ECL

3Q24

EFG Hermes enjoyed another good quarter, with its revenues shooting up 87% Y-o-Y to EGP2.7 billion, supported by higher Y-o-Y revenues generated by all lines of business, particularly Holding & Treasury Activities and Brokerage.

Holding & Treasury Activities revenues grew 180% Y-o-Y to EGP781 million, predominately from unrealized gains on seed capital. Meanwhile, fx-gains came at EGP41 million, as the EGP weakened slightly.

Sell-side revenues rose 62% Y-o-Y to EGP1.4 billion, driven by Brokerage and Investment Banking stronger revenues. Brokerage revenues were up 50% Y-o-Y, primarily on the back of strong commissions generated from Egypt, the rest of the MENA markets (in USD) and the Structured Products desk. Investment Banking revenues tripled, on higher advisory fees.

Buy-side revenues rose 71% Y-o-Y to EGP437 million, lifted predominantly by Asset Management revenues. Asset Management revenues gained 81% Y-o-Y, mainly on FIM's higher management fees, incentive fees, and the devaluation impact on its revenues, which is denominated in USD. Meanwhile, Private Equity revenues increased 36% Y-o-Y to reflect the devaluation impact on its USD revenues.

Total operating expenses rose 84% Y-o-Y to EGP1.9 billion, mainly due to higher employee expenses, followed by higher other operating expenses, and despite lower provisions & ECL. Employee expenses rose 108% Y-o-Y, reflecting higher Y-o-Y salaries in Egypt to echo inflation, the Y-o-Y devaluation of the Egyptian pound impact on regional offices' salaries when translated to EGP, higher variable portion of the employee expenses to mirror the increase in revenues. Meanwhile, other G&A expenses rose 56% Y-o-Y; mainly due to the elevated inflation level in Egypt, the USD denominated expenses in Egypt and the translation of regional operations' expenses in EGP.

EFG Hermes net operating profit and net profit before tax rose 95% Y-o-Y and 113% Y-o-Y, respectively; supported by higher revenues posted across the Investment Bank lines of business. Taxes increased 168% Y-o-Y, on higher profitability posted by the Investment Bank Egyptian entities; this in addition to deferred taxes of EGP133 million booked on seed capital unrealized gains during the quarter, as compared to EGP9 million in 3Q23. Thus, with higher taxes EFG Hermes net profit after tax and minority interest rose 68% Y-o-Y to EGP274 million.

9M24

EFG Hermes revenues almost doubled, up 92% Y-o-Y to EGP11.6 billion; on better capital markets activity, fx-gains, unrealized gains on investments/seed capital, and the devaluation impact on revenues generated in foreign currency.

Holding & Treasury Activities revenues rose 66% Y-o-Y to reach EGP4.8 billion, lifted by fx-gains, as the currency devalued significantly Y-o-Y, and stronger unrealized gains on Investments/seed capital, particularly by MENA LTV fund.

The sell-side business is having an outstanding year, with its revenues shooting up 126% Y-o-Y to EGP5.7 billion, driven by exceptional revenues recorded by the Investment Banking and Brokerage. Brokerage revenues climbed 70% Y-o-Y, to portray Egypt's remarkable performance, together with the rest of the MENA markets, particularly KSA. This is in addition to Structured Products revenues which grew significantly post the devaluation and the increased executions of Egypt carry trade. Investment Banking reported 394% Y-o-Y increase in revenues, on stronger dealmaking executions, particularly 2Q24.

Buy-side revenues rose 77% to EGP1.1 billion, lifted by FIM's revenues. Asset Management revenues doubled, up 105% Y-o-Y, on FIM's higher management fees, incentive fees, lower comparable period which included EGP89 million of unrealized losses related to SPAC, this in addition to the impact of the EGP devaluation when its revenues translate to EGP. Egypt Asset Management revenues rose 17% Y-o-Y, while Private Equity revenues was up 14% Y-o-Y to reflect the translation of revenues post the devaluation.

Total operating expenses rose 85% Y-o-Y to EGP7.6 billion, mainly due to higher employee expenses, followed by higher other operating expenses, and despite lower provisions & ECL. Employee expenses doubled Y-o-Y, reflecting higher salaries in Egypt to mirror high inflation, the Y-o-Y devaluation of the Egyptian pound impact on regional offices' salaries when translated to EGP, higher non-cash variable portion of the employee expenses in line with the increase in revenues. This together with higher monthly commissions reflecting stronger executions Y-o-Y and the severance pay related to Frontier exit.

Meanwhile, other G&A expenses rose 65% Y-o-Y; mainly due to high inflation level in Egypt, the USD denominated expenses in Egypt and the translation of regional operations' expenses to EGP. On the other hand, provisions & ECL declined 84% Y-o-Y, to reflect the release related to the Eurobonds and the high provisions related to Brokerage margin book in the comparable period.

With the increase in revenues higher than the increase in expense, EFG Hermes net operating profit and net profit before tax more than doubled, up 108% Y-o-Y and 106% Y-o-Y, respectively.

Meanwhile, taxes rose by EGP769 million Y-o-Y, on higher taxes related to the sell-side business, mainly Brokerage, and higher deferred taxes on unrealized gains and fx-gains. Deferred taxes on seed capital unrealized gains came at EGP592 million, while deferred tax on fx-gain reached EGP75 million. Meanwhile the comparable period included deferred taxes of EGP266



million on unrealized gains and EGP47 million on fx-gains. This resulted in net profit after tax and minority interest rising up 82% Y-o-Y to EGP2.0 billion.



Operational Performance

i. Brokerage

MENA markets witnessed a very strong quarter; with all the markets where we operate closing in the black, posting strong performance and increasing liquidity compared to 2Q24. Consequently, the S&P Pan Arab TR rose 7.5% Q-o-Q, and the MSCI EM added 7.8% Q-o-Q.

However, EFG Hermes Brokerage (which reflects MENA, Frontier markets, and Structured Products) total executions slipped 3% Q-o-Q to reach USD21.8 billion in 3Q24, on lower executions in KSA and the UAE markets. On a Y-o-Y basis, total executions added 4%, underpinned predominantly by Abu Dhabi stronger executions. For 9M24, total execution rose 19% Y-o-Y, driven by stronger MENA markets executions in our five main markets; particularly KSA.

Brokerage revenues reached EGP1.2 billion in 3Q24, up 11% Q-o-Q, and 50% Y-o-Y. The Q-o-Q increase reflects mainly higher revenues generated from Egypt local market, followed by Kuwait. On a Y-o-Y for 3Q24, the increase mainly reflects Egypt and Structured Products higher revenues and mainly the fx impact on all other markets, resulting from the EGP devaluation Y-o-Y. In 9M24, Brokerage revenues increased 70% Y-o-Y to EGP3.5 billion, and 22% in USD (including Egypt) after eliminating the EGP devaluation impact. This increase in revenues was driven by higher revenues generated by the MENA markets, particularly Egypt and KSA; followed by Structured Products.

in EGP million	Brokerage Revenue*							
	3Q24	2Q24	3Q23	Q-o-Q	Y-o-Y	9M24	9M23	Y-o-Y
Egypt**	554	377	437	47%	27%	1,556	984	58%
Other Markets	17	42	23	-59%	-26%	57	98	-42%
Total Egypt	571	419	460	36%	24%	1,612	1,082	49%
UAE	233	248	143	-6%	63%	658	388	70%
KSA	153	174	77	-12%	98%	474	226	109%
Kuwait	129	106	70	22%	85%	337	198	70%
Frontier Markets***	34	59	41	-42%	-15%	146	116	26%
Structured Products	75	74	10	3%	636%	232	25	839%
Others****	26	24	14	8%	93%	75	46	64%
Total Revenues	1,223	1,104	815	11%	50%	3,534	2,081	70%

Brokerage revenues highlighted above represent operations and not markets

**Egypt revenues include GDRs trading

***Frontier Markets include Pakistan, Kenya, Nigeria, and other frontier markets

****Others include fixed income products, Jordan, Oman, and Bahrain

Source: Management Accounts

Egypt is back to lead the commissions contribution by market (excluding any other revenue generated including margin income, research revenue and custody income) in 3Q24 and 9M24; meanwhile the UAE markets combined (DFM and ADX) retreated to second place, with a contribution of 22.1% and 18.7%, respectively, in 3Q24 and 9M24. KSA followed, accounting for 16.1% and 17.3%, respectively. Kuwait continued to hold the 4th place with a contribution of 14.5% and 13.0%, respectively.

Commissions Breakdown by Market

Markets	3Q24	9M24
Egypt*	33.4%	34.2%
DFM	8.7%	8.1%
ADX	13.4%	10.6%
KSA	16.1%	17.3%
Kuwait	14.5%	13.0%
Qatar	7.2%	6.7%
Frontier Markets	2.8%	3.2%
Others**	3.9%	6.8%
Total	100%	100%

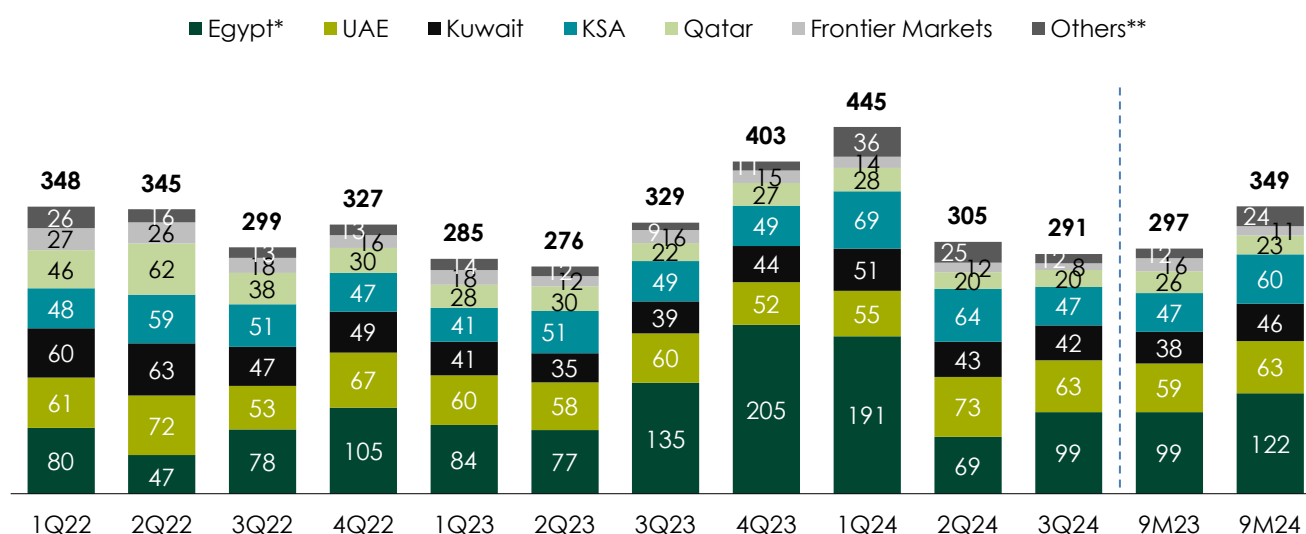
*Egypt includes GDRs of 2.3% and 3.9% of total commissions in 3Q24 and 9M24, respectively

**Others include Oman, Jordan, Bahrain, Lebanon, London, New York, Abwab MENA, Structured Products and EFG Hermes One

Source: EFG Hermes and Regional Exchanges

Average Daily Commissions

In USD thousand



*Egypt includes GDRs trading

**Others include Oman, Lebanon, Jordan, Structured Products and EFG Hermes One

Source: EFG Hermes and Regional Exchanges

The above chart highlights the average daily commissions (ADC) generated by Brokerage and reported in USD. Aggregate ADC came at USD291 thousand in 3Q24, down 5% Q-o-Q; largely on lower commissions generated by KSA and the UAE markets, which muted Egypt's stronger commissions. On a Y-o-Y basis, ADCs lost 12% Y-o-Y in 3Q24, to largely reflect lower commissions generated from Egypt local market. For 9M24, ADCs added 17% Y-o-Y to reach USD349 thousands, with Egypt being the largest contributor to that growth, followed by almost all other markets.

Brokerage Market Share & Executions

<i>in USD million</i>	3Q24	2Q24	3Q23	Q-o-Q	Y-o-Y	9M24	9M23	Y-o-Y
Egypt*								
Market share	34.2%	36.8%	33.0%	-2.6%	1.2%	33.6%	33.7%	-0.1%
Executions	2,802	1,508	3,256	85.8%	-13.9%	7,778	6,619	17.5%
UAE - DFM								
Market share	41.9%	49.3%	35.9%	-7.4%	6.1%	47.1%	37.6%	9.5%
Executions	2,804	3,056	3,059	-8.3%	-8.3%	9,346	7,994	16.9%
UAE - ADX								
Market share	20.1%	31.3%	17.3%	-11.1%	2.8%	23.4%	17.9%	5.5%
Executions	4,790	5,575	3,417	-14.1%	40.2%	14,113	11,872	18.9%
KSA								
Market share	4.9%	6.0%	5.7%	-1.1%	-0.8%	5.5%	6.0%	-0.5%
Executions	5,910	7,208	5,843	-18.0%	1.1%	21,937	15,740	39.4%
Kuwait								
Market share	28.6%	29.8%	37.0%	-1.1%	-8.3%	31.0%	35.3%	-4.3%
Executions	3,226	2,972	2,891	8.5%	11.6%	9,915	8,522	16.3%
Pakistan								
Market share	1.0%	2.5%	3.5%	-1.5%	-2.4%	1.6%	4.1%	-2.5%
Executions	58	98	78	-40.4%	-25.4%	231	215	7.5%
Kenya								
Market share	50.2%	37.8%	46.6%	12.3%	3.5%	51.5%	37.8%	13.7%
Executions	65	82	56	-20.6%	16.1%	245	216	13.4%
Nigeria								
Market share	4.3%	11.5%	8.3%	-7.2%	-3.9%	7.8%	8.1%	-0.3%
Executions	32	61	75	-47.8%	-57.5%	171	179	-4.3%
Frontier								
Market share	N/A	N/A	N/A	N/M	N/M	N/A	N/A	N/M
Executions	171	225	282	-24%	-40%	628	825	-23.8%
Structured Products								
Market share	N/A	N/A	N/A	N/M	N/M	N/A	N/A	N/M
Executions	64	160	5	-60%	1240%	517	24	2064%

*Market share calculation is based on executions excluding special transactions, and includes GDRs

**Executions in Qatar, Oman, Jordan, Bahrain, Lebanon, Bonds, ETFs, and others represent an additional 9% and 8% of total Brokerage executions in 3Q24 and 9M24, respectively

Source: EFG Hermes and Regional Exchanges

Egypt

EGX gained momentum in 3Q24, with the Hermes Financial Index (HFI) spiraling up 15.0% Q-o-Q in 3Q24, while volumes shot up 55% over the quarter. This improvement was supported by robust earnings across various sectors, a healthy level of market liquidity, and an improvement in clients' appetite.

The firm also inaugurated its 10th Annual EFG Hermes London Investor Conference titled "A New Era of Opportunities" in 3Q24. The conference provided a unique platform for thought leaders, industry experts, and investors to delve into the transformative potential emerging across the global economy. The conference hosted over 102 presenting companies across various sectors, 590 guests from around the world, with institutional investors and fund managers from over 138 global investment firms and includes over 3,800 meetings.

EFG Hermes continued to cement its leading position on the EGX, with a market share of 34.2% in 3Q24 and 33.6% in 9M24. This was supported by local investors, who continued to dominate the market, accounting for over 87% of the market and who ended the quarter as net buyers. Retail investors captured over 80% of the market, with EFG Hermes successfully capturing around 12% of that flow.

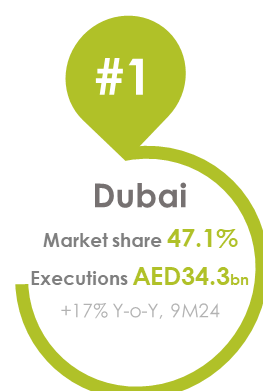
Foreign and GCC investors ended the quarter as net sellers in 3Q24. Foreign participation accounted for 12% of the market in 3Q24; of which EFG Hermes captured 42%. In 9M24, foreign participation came at 9% of the total market, of which EFG Hermes' share came at 44%.

UAE – Dubai

DFM reversed its direction upwards, with the DFMGI adding 11.7% Q-o-Q, and volumes up 8% Q-o-Q.

The Firm continued to hold 1st place on DFM in 3Q24 and in 9M24; with a market share of 41.9% and 47.1%, respectively. This was underpinned by strong Western institutions participation in the market, of which EFG Hermes captured almost half of that flow.

Local and GCC investors ended the quarter as net sellers in 3Q24; while Foreign investors reversed their trend to end the quarter as net buyers. Foreign participation came at 33% of the total market in 3Q24, of which EFG Hermes executions accounted for 47%. In 9M24, foreign participation came at 34% of the total market, of which EFG Hermes seized 48%.



UAE – ADX

ADX ended in the positive territory, with the ADI adding 4.0% Q-o-Q and volumes increasing 34% Q-o-Q in 3Q24.

Foreign and GCC investors ended the quarter as net buyers, as foreign flows were seen in selected names during the MSCI and the FTSE rebalance in August and September; meanwhile local investors were net sellers in 3Q24.

EFG Hermes maintained 2nd place ranking in 3Q24 and 9M24, with a market share of 20.1% and 23.4%, respectively. In terms of foreign activity, foreign investors accounted for 34% of the market activity, of which the Firm captured 23% of this flow in 3Q24. In 9M24, foreign participation came at 30% of the total market, of which EFG Hermes captured 29%.

Saudi Arabia

The Saudi market rebounded in 3Q24, with the Tadawul All Share Index adding 4.7% Q-o-Q, yet volumes were flat Q-o-Q. The improved market performance was underpinned by investors shifting during the quarter to Banks from mid-cap stocks.

Foreign and GCC investors ended the quarter as net buyers, while local investors were net sellers in 3Q24. The QFI volumes (including swaps) declined 13% Q-o-Q to reach SAR210 billion in 3Q24, and accounting for 23.5% of the market turnover; of which the Firm captured 3.5% of this flow during the quarter. In 9M24, QFI volumes accounted for 23.5% of the market, of which EFG Hermes seized 4.0%.

EFG Hermes market share came at 4.9% in 3Q24, with 15th place ranking. Meanwhile, EFG Hermes market share for 9M24 reached 5.5%, with 12th place ranking.

Kuwait

The Kuwaiti market gained some of its lost ground in 3Q24, both in terms of performance and liquidity. The market Premier Index added 2.9% Q-o-Q and the Main Market Index gained 6.6% Q-o-Q. Moreover, volumes rose 15% Q-o-Q in 3Q24.

Foreign investors were heavy buyers during the quarter, while local and GCC investors were net sellers. Foreign participation accounted for 11% of the total market in 3Q24, of which EFG Hermes captured 46.5% of this flow. In 9M24, foreign participation accounted for 12.5% of the total market, of which EFG Hermes seized 48.8% of this flow.

EFG Hermes IFA maintained its second place ranking in 3Q24 and 9M24, with a market share of 28.6% in 3Q24 and 31.0% in 9M24.

#2

Abu Dhabi

Market share **23.4%**
Executions **AED51.8bn**
+19% Y-o-Y, 9M24

#12

KSA

Market share **5.5%**
Executions **SAR81.2bn**
+39% Y-o-Y, 9M24

#2

Kuwait

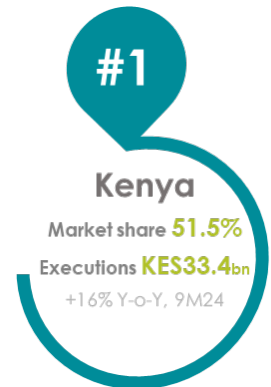
Market share **31.0%**
Executions **KWD3.0bn**
+16% Y-o-Y, 9M24



Kenya

The NASI continued to decline for a second quarter, with the NASI losing 2.2% Q-o-Q in 3Q24. Volumes declined 39% Q-o-Q, as the comparable quarter included prearranged agreements that pushed volumes up.

EFG Hermes moved back to lead the market, with a 1st place ranking in 3Q24 and 9M24 and representing a market share of 50.2% and 51.5%, respectively. Foreign activity declined in 3Q24, to account for 40.2% of the market, of which EFG Hermes captured almost half of this flow, at 49.2%. In 9M24, foreign activity accounted for 55.4% of the market, of which EFG Hermes captured 39.7% of that flow.



Nigeria

Nigeran market performance was muted, with the index losing 1.5% Q-o-Q. Meanwhile, volumes climbed 39% Q-o-Q on a number of arranged off-market transactions.

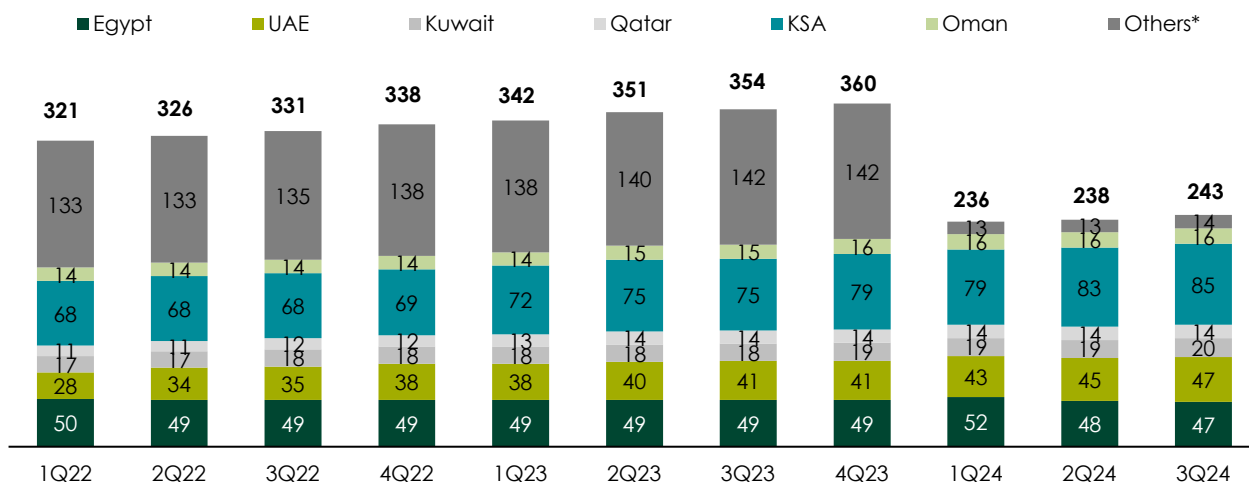
The Firm's market share stood at 4.3% in 3Q24. Meanwhile, the Firm held 5th place ranking with a market share of 7.8% in 9M24.



ii. Research

Research Coverage Universe

Number of Companies



*Others company breakdown: Jordan 6, Morocco 5, Bahrain 1, Netherlands 1, and London 1

EFG Hermes held its tenth edition of the Annual London Investor Conference in September 2024, with more than 102 presenting companies from various sectors, with 590 guests, including institutional investors and fund managers representing 138 global investment firms. The team published a sector update on the MENA banks just as the GCC central banks cut their interest rates in response to fed rate cut, this in addition to issuing an update on the Saudi cement sector. Moreover, the team issued a note on Egypt Pharmaceuticals to provide insights on the implications of the recent drug price increases.

In 3Q24, research coverage increased to include several prominent GCC stocks: In KSA: i) Maharah; and ii) Mawarid; in Kuwait: Bayout Investment Group; and in the UAE: i) Alef Education; and ii) NMDC Energy.

On the awards and recognition front, Research continued to solidify its leadership in the industry, achieving top rankings in the 2024 Emerging EMEA Extel Survey. The team was ranked #1 in the Consumer sector and the Utilities sector, #3 in Transportation, and runner-up in MENA Research, Transportation, Healthcare and Pharmaceuticals sectors.

YTD, our KSA Quant Portfolio (+33.6%) has outperformed the Saudi broad market index TASI (+2.2%) by 31.5bps.

iii. Investment Banking

In 3Q24, EFG Hermes' Investment Banking division successfully concluded one equity transaction, one M&A transaction, and one debt transaction, totaling an aggregate value of USD505 million.

Building on its longstanding relationship with leading e-payments player Fawry, EFG Hermes successfully concluded a USD34 million Accelerated Equity Offering for the company, acting as the sole financial advisor. The offering marks EFG's 7th transaction with Fawry, underscoring the firm's pivotal role in supporting Fawry's growth, creating diverse pathways to unlock value through innovative transaction structures.

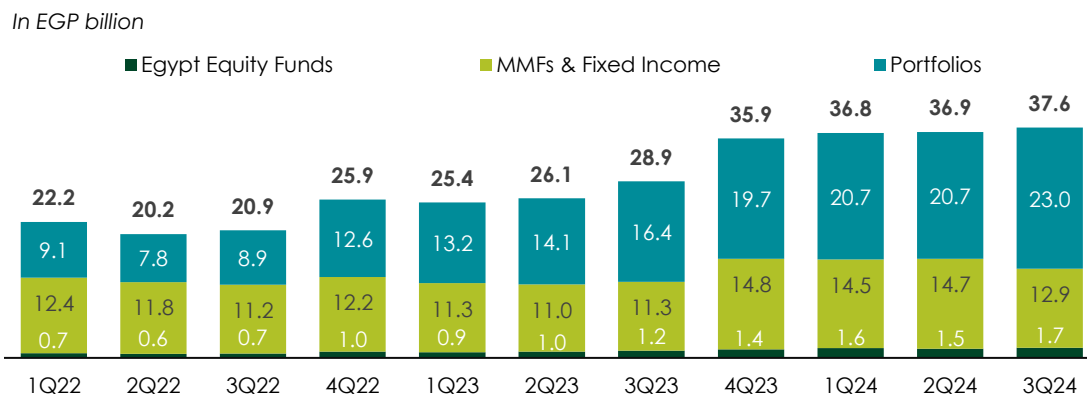
In the M&A space, the firm continued its series of notable cross-border M&A transactions, by successfully advising UAE's Electra Investment Holding on its acquisition of a 20% stake in Elsewedy Electric amounting to USD449 million. Acting as the sole financial advisor, EFG Hermes facilitated one of the year's largest FDI M&A transactions in Egypt and the region, showcasing strong investor interest and its expertise in executing major supporting regional economic growth.

On the debt front, the division demonstrated resilience amid challenging debt market conditions, successfully concluding the 10th securitization issuance for Valu, amounting to USD22 million. The transaction highlights the firm's ability to leverage its investment banking expertise to support the group's subsidiaries in capital-raising efforts within Egypt's debt capital market.

EFG Hermes' strong performance in 3Q24 demonstrates consistent growth and resilience, setting the stage for further growth across equity, M&A, and debt capital markets. With an active pipeline in Egypt and the region and growing investor interest, the division is well-positioned to sustain its positive trajectory through year-end.

iv. Asset Management

Egypt Assets under Management Evolution

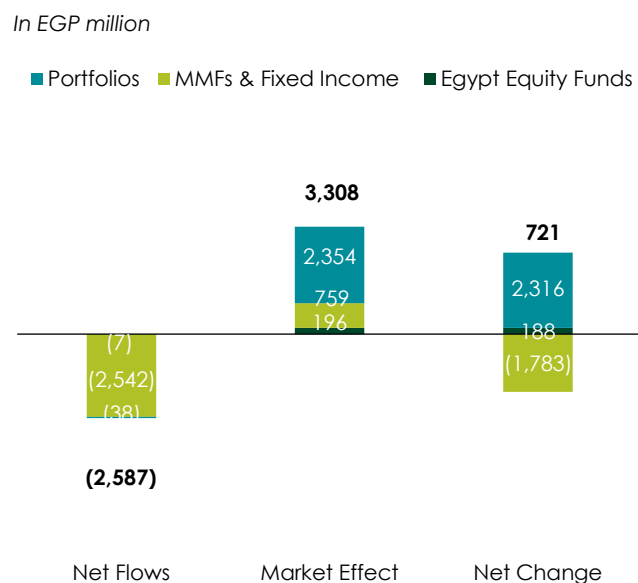


Source: EFG Hermes Asset Management

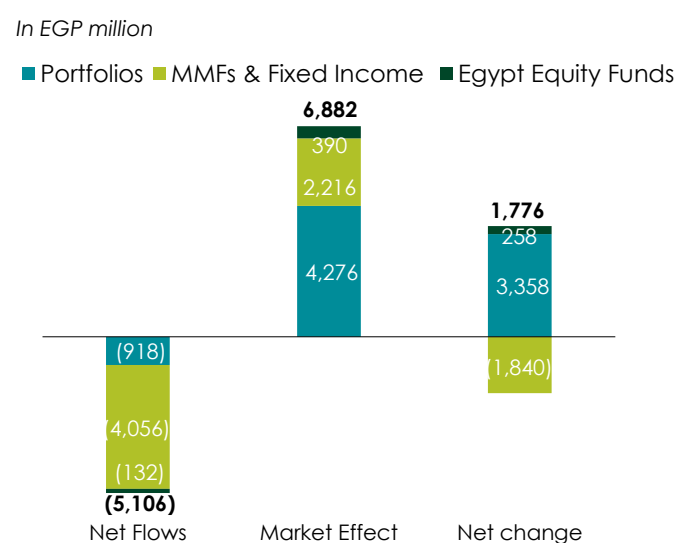
EFG Hermes Egypt Asset Management AuMs rose 2.0% Q-o-Q to end 3Q24 at EGP37.6 billion, underpinned by stronger equity markets. Markets appreciation added 9.0% during 3Q24, predominately to equity portfolios; while net outflows withdrew 7.0% of the AuMs, most of which were redemption in MMFs & FI funds.

Over the first 9M24, AuMs rose 5.0%, driven predominately by equity markets and MMFs appreciation and despite net outflow. Positive markets performance drove AuMs up 19.2%, led by equity portfolios and MMFs. Meanwhile, net outflows represented 14.2%, with MMFs outflows being the most significant.

Quarterly Change in Egypt Mandates

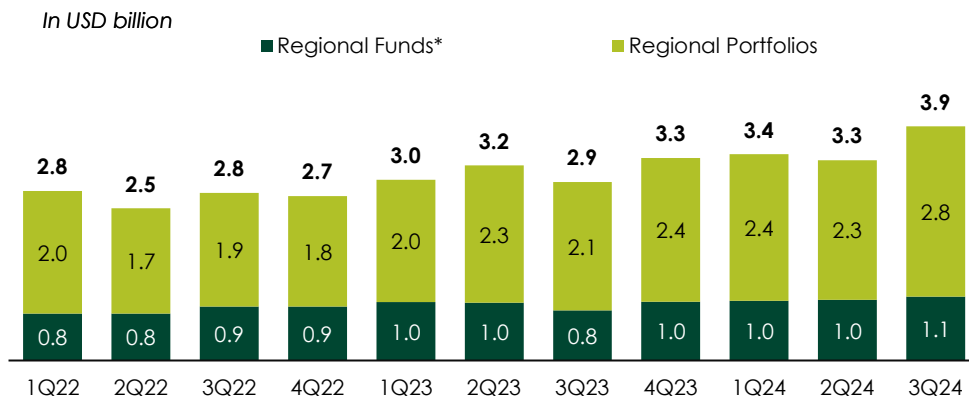


YTD Change in Egypt Mandates



Source: EFG Hermes Asset Management

Regional Assets under Management “FIM” Evolution



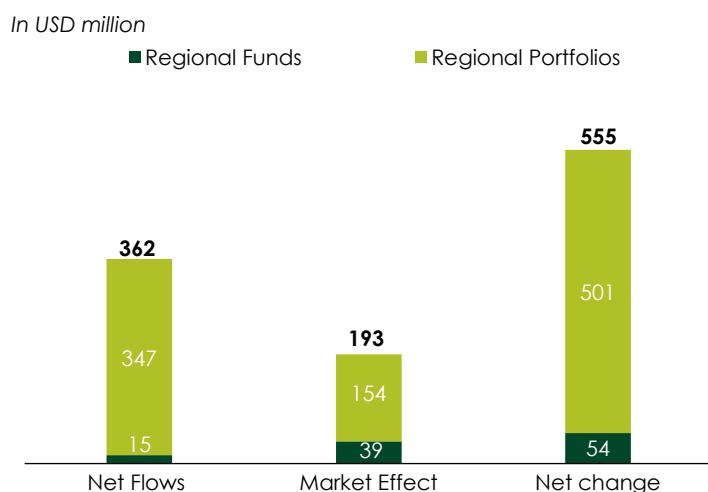
*Includes Equity, Fixed Income, SPAC and Real Estate funds

Source: FIM

EFG Hermes Regional Asset Management (FIM) saw a strong quarter, with its AUMs spiraling up 16.8% Q-o-Q to close 3Q24 at USD3.9 billion. This increase was supported by net inflows and positive performance across almost all accounts. Positive net inflows represented 11.0% of the increase in AUMs and was largely attributed to the onboarding of a large account into the Saudi equity strategy. Meanwhile, positive performance across different strategies contributed 5.9% to the increase in AuMs.

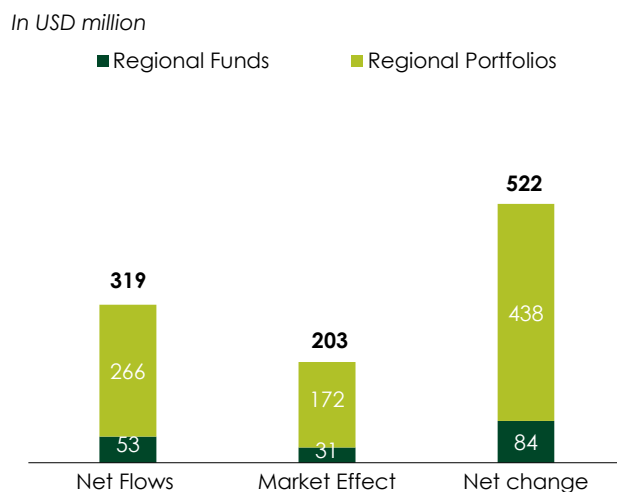
For 9M24, FIM asset management AuMs grew 15.6%, with net inflows accounting for 9.6% of the increase in AuMs and derived predominately from the new Saudi equity account. Moreover, positive performance across different strategies added another 6.1%.

Quarterly Change in Regional Mandates



Source: FIM

YTD Change in Regional Mandates



Funds' Performance

FIM MENA Horizon Fund ended the quarter with a NAV/ share of USD575.51 at the end of 3Q24 versus a NAV/share of USD539.89 in 2Q24. The Fund gained 6.6% during the quarter versus the S&P Pan Arab Composite Index, which gained 7.0% over the same period.

FIM EM Frontier Fund ended the quarter with a NAV/ share of USD1,461.83 at the end of 3Q24 versus a NAV/share of USD1,354.29 in 2Q24. The Fund gained 8.0% over the quarter versus the MSCI FEM Index, which gained 7.3% over the same period.

FIM Saudi Long Term Opportunities Fund ended the quarter at a NAV/ share of USD2,350.87 at the end of 3Q24 versus a NAV/share of USD2,252.10 at the end of 2Q24. The Fund gained 4.4% during the quarter versus the TASI Index which gained 4.7% over the same period.

FIM MENA Credit Fund ended the quarter at a NAV/ share of USD1,305.62 at the end of 3Q24 versus a NAV/share of USD1,242.48 in 2Q24. The Fund gained 5.1% during the quarter versus the JPM MECIGCC, which gained 4.6% over the same period.

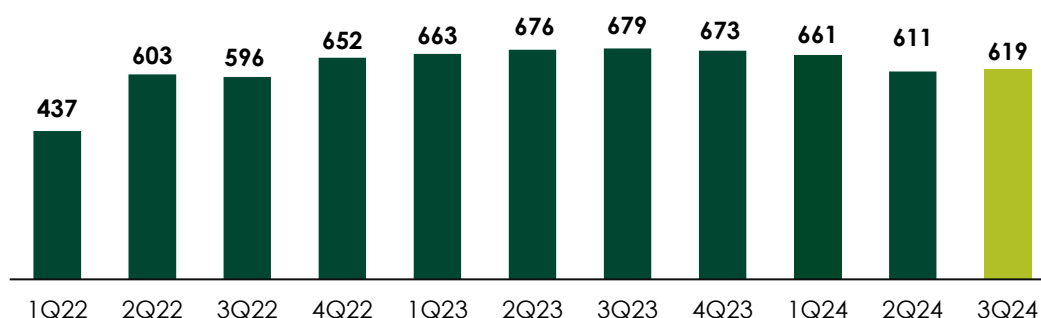
FIM Global Sukuk Fund ended the quarter at a NAV/ share of USD1,216.70 at the end of 3Q24 versus a NAV/share of USD1,162.92 in 2Q24. The Fund gained 4.6% during the quarter versus the Markit iBoxx Sukuk which gained 4.3% over the same period.

FIM GEM Debt Fund ended the quarter at a NAV/ share of USD1,123.34 at the end of 3Q24 versus a NAV/share of USD1,046.93 in 2Q24. The Fund gained 7.3% during the quarter versus a gain of 6.9% for its benchmark (75% JPM EMBIGD index & 25% JPM GBIEM Global Diversified) over the same period.

v. Private Equity

Assets under Management Evolution

In USD million



Energy

Vortex Energy IV, a global renewable energy platform managed by the private equity arm of EFG Hermes, currently manages two companies, Ignis Energy and EO Charging, spanning two verticals in the Energy Transition sector: renewable energy and e-mobility.

Education

The Fund's education platform (EEP) now encompasses around 25 assets including K-12 schools, pre-schools, education content development business and a transportation business to serve the platform's transportation needs. The platform's total capacity is now reaching c.23k students with over 12k enrolled students across its different assets in addition to serving over 3mn students annually through its education content development arm.

EEP is embarking on new growth initiatives to expand its capacities in some of the existing schools in addition to screening new potential school launches under different partnership models.

Healthcare

UpH revenues increased by c.46% in 9M24 vs. comparable 9M23. UpH has continued to be amongst the top suppliers to the market for life-saving IV solutions, acting as the main player stabilizing the hospital pharmaceuticals supply market in Egypt. UpH solid performance was driven by the introduction of its new high value products in the market, and successful price optimization across its product portfolio. Throughout 9M24, UpH has continued to pursue its export strategy, significantly growing its export sales compared to 9M23. UpH is committed to continue expanding its portfolio, as well as local and foreign sales channels to cater for the Egyptian and nearby regional markets with growing unmet demand.

In parallel to the ongoing value creation process within UpH, EFG's healthcare PE platform is engaged at different stages on several highly promising opportunities in different generic pharma segments in the GCC and broader MENA.



The NBFIs



Financial Overview

Performance Overview

in EGP million	EFG Finance Performance Summary							
	3Q24	2Q24	3Q23	Q-o-Q	Y-o-Y	9M24	9M23	Y-o-Y
Micro-Finance (Tanmeyah)	504	407	258	24%	95%	1,326	906	46%
Consumer Finance (Valu)	426	449	314	-5%	36%	1,260	775	63%
Leasing	148	141	73	5%	103%	531	183	191%
Factoring	34	35	25	-2%	37%	114	83	38%
Fatura	10	9	9	13%	3%	29	25	16%
Finance Holding	(2)	13	(13)	N/M	N/M	0	4	-98%
Net Operating Revenue	1,120	1,053	666	6%	68%	3,259	1,976	65%
Employee Expenses	318	302	273	5%	16%	912	724	26%
Other Operating Expenses*	491	369	265	33%	85%	1,374	869	58%
Operating Expenses	809	671	538	21%	50%	2,286	1,593	44%
Net Operating Profit	311	383	129	-19%	142%	973	383	154%
Net Profit (Loss) Before Tax	271	354	98	-23%	175%	869	304	185%
Net Profit (Loss) After Tax & Minority Interest	203	267	45	-24%	349%	613	170	261%

*Includes Other G&A, and Provisions & ECL

3Q24

For the third quarter, the NBFIs continued its strong revenue growth, with EFG Finance gaining 68% Y-o-Y to EGP1.1 billion; driven by strong top line performance reported by all the platform's lines of business.

Tanmeyah's revenues rose 95% Y-o-Y, on higher interest income and higher fees & commissions, as sales increased Y-o-Y, together with the impact of capping the upfront fees being normalized on a Y-o-Y basis. Valu revenues added 36% Y-o-Y, mainly driven by stronger fees and commissions revenues and significantly higher volume of loans issued, the quarter also included securitization gains of EGP142 million. Leasing revenues more than doubled for yet another quarter, up 103% Y-o-Y; on higher interest income and higher fees & commissions, additionally the quarter included EGP28 million of securitization gain. Factoring revenues rose 37% Y-o-Y, on higher fees and commissions.

Operating expenses rose 50% Y-o-Y to EGP809 million, driven mainly by higher other operating expenses, largely related to costs associated with the increase in loans issuance, inflation and USD denominated expenses. Additionally, provisions & ECL increased 289% Y-o-Y, driven by higher ECL taken by Valu as its portfolio increased Y-o-Y. Employee expenses rose 16% Y-o-Y, mainly on higher salaries and monthly commissions reported by Tanmeyah, followed by higher salaries at Valu. Moreover, other G&A expenses rose 59% Y-o-Y, predominantly on inflation and higher USD denominated expenses, mainly IT expense, this in addition to higher marketing expenses, collection fees and outsourced services.

With the magnitude of the increase in revenues outpacing the increase in expenses, EFG Finance net operating profit rose 142% Y-o-Y. Taxes increase was limited to 26% Y-o-Y, on lower profitability recorded by Valu; thus, net profits after tax and minority leaped 349% Y-o-Y to EGP203 million, supported mainly by Tanmeyah's and Leasing's higher profitability.

9M24

EFG Finance revenues rose 65% Y-o-Y to EGP3.3 billion in the first nine months of the year; this was driven by stronger loans issuances, higher securitization gains, and fx-gains.

Valu revenues rose 63% Y-o-Y, bolstered by higher fees and commissions on higher volumes, higher securitization gains which came at EGP499 million, and fx-gains recognized on USD cash position of EGP83 million. Leasing revenues almost tripled, up 191% Y-o-Y, on higher interest income as the portfolio grew Y-o-Y, higher fees and commissions on higher issuances, higher securitization gains of EGP84 million, and fx-gains of EGP130 million. With Tanmeyah's strong 3Q24, Tanmeyah's revenues rose 46% Y-o-Y, on higher net interest income as the portfolio expanded and despite lower fees and commissions, as responsible lending which caps the upfront fees was not yet implemented until July 2023. Factoring revenues rose 38% Y-o-Y on fx-gains of EGP32 million and higher fees and commissions.

Operating expenses added 44% Y-o-Y to EGP2.3 billion, driven by higher employee expenses, operating expenses, and provisions and ECL. Employee expenses rose 26% Y-o-Y, mainly on higher salaries and monthly commissions reported by Tanmeyah. Other G&A expenses added 40% Y-o-Y, on high inflation levels, USD denominated expenses mainly IT, and costs related to issuances; which include marketing expenses, collection fees and outsourced services reported mainly by Valu.

Provisions & ECL more than doubled, up 116% Y-o-Y, on higher ECL booked by different lines of businesses, with Valu being the largest contributor to this increase. Moreover, an additional EGP66 million of impairment charges was taken by Finance Holding for Paytabs.

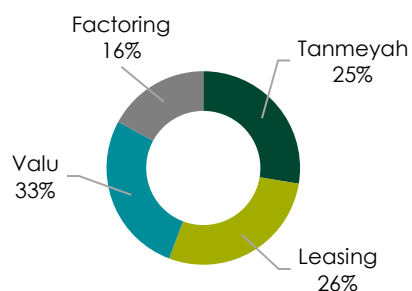
Following suit from the quarter, EFG Finance net operating profit rose 154% Y-o-Y. Taxes rose 82% Y-o-Y on higher profitability recorded by the different business lines, which resulted in EFG Finance net profits after tax and minority increasing 261% Y-o-Y to EGP613 million; boosted by higher profitability reported by all lines of business.

Balance Sheet highlights

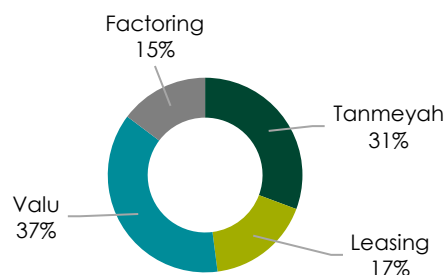
<i>in EGP million</i>	Sep-24	Jun-24	Mar-24	Dec-23	Sep-23	Q-o-Q	Y-o-Y
Portfolio Outstanding*	24,309	20,012	20,879	18,731	15,124	21%	61%
Provision Balance	745	664	661	507	492	12%	51%
Total Tangible Equity	4,419	3,081	2,303	2,098	1,235	43%	258%
Total Equity	6,032	4,701	3,941	3,757	2,923	28%	106%

*Excludes EGP2,211 million of Leasing securitization, and EGP3,126 million of Valu securitization in 3Q24

Portfolio Contribution by LoB



Provisions Contribution by LoB



Operational Overview

i. Micro-Finance “Tanmeyah”

Results at a Glance and Performance Overview

	KPIs							
	3Q24	2Q24	3Q23	Q-o-Q	Y-o-Y	9M24	9M23	Y-o-Y
Reach and Portfolio size								
Number of Active Borrowers	316,973	320,441	338,279	-1%	-6%	316,973	338,279	-6%
Number of Processed App.	119,655	108,698	101,683	10%	18%	350,287	283,242	24%
Number of Loans Issued	64,123	60,259	66,943	6%	-4%	193,393	191,669	1%
Portfolio Outstanding (EGP mn)	6,127	5,629	4,213	9%	45%	6,127	4,213	45%
Total Tanmeyah Staff	5,016	4,734	4,215	6%	19%	5,016	4,215	19%

Source: Tanmeyah

By the end of 3Q24, Tanmeyah's portfolio crossed the EGP6 billion mark, to reach EGP6.1 billion. This represents an increase of 45% Y-o-Y, outpacing the broader market growth, as reported by the Financial Regulatory Authority (FRA). This growth was a direct result of an increase in the value of loans issued, which grew 36% Y-o-Y to record EGP1.9 billion in 3Q24. The upwards trajectory in Tanmeyah's loans issued and outstanding portfolio were fueled by an expansion in the average ticket size, which rose 26% Y-o-Y in 3Q24.

The increase in the average ticket size was driven largely by rising inflationary pressures within the economy. Moreover, (VSE) product sales, which carries a higher ticket size compared to (MEL,) increased more than 10x.

Tanmeyah launched its first phase of the mobile application to clients. This first phase offers clients service which includes balance enquiry and other self-service requests. Additionally, Tanmeyah is continuously introducing new features.

Tanmeyah is on track with the planned schedule for the migration of its core banking system; and is expected to go live by end of 1Q25, subject to success of its security and performance testing. While Tanmeyah continues to expand its technological capabilities, it is also expanding its physical presence.

Tanmeyah managed to obtain the PCI DSS certification, which is an essential Information Security credential under the IT Compliance pillar. This certification is a critical in Tanmeyah's journey of issuing prepaid cards to customers.

Portfolio Quality & Provisions

Tanmeyah started to implement different methodologies in the collection process to ensure the quality of the new production, with several controls and policies being placed. PAR30+ increased to 2.9% in 3Q24 compared to 2.5% in 2Q24, yet below 2023 levels. Portfolio coverage declined slightly to 3.7% in 3Q24 as opposed to 3.8% a quarter earlier. This came despite the booking of EGP40 million in provisions; as the portfolio grew Q-o-Q and write-offs taken during the quarter impacted the provision balance by the end of the quarter.

ii. BNPL “Valu”

Results at a Glance and Performance Overview

	3Q24	2Q24	3Q23	Q-o-Q	Y-o-Y	9M24	9M23	Y-o-Y	BTD
Valu App Customers ⁽¹⁾	1,770	1,659	1,137	7%	56%	1,770	1,137	56%	1,770
Limits Activated Value (EGP mn)	2,534	1,703	1,761	49%	44%	5,986	4,468	34%	25,928
Total Loans Issued (EGP mn)	4,220	2,902	2,331	45%	81%	9,756	5,932	64%	27,609
Outstanding Portfolio ⁽²⁾ (EGP mn)	11,267	8,768	6,710	29%	68%	11,267	6,710	68%	8,315
Number of Transactions ⁽¹⁾	945	710	494	33%	91%	2,305	1,244	85%	5,987
Portfolio Tenor (In months)	19	16	17			17	16		N/A
Number of Merchants	7,815	7,443	5,783	5%	35%	7,815	5,783	35%	7,815

⁽¹⁾ Numbers are in “000”

⁽²⁾ Includes securitized portfolio of EGP3,126 mn in 3Q24 and EGP3,531 mn in 2Q24

Source: Valu

In 3Q24, Valu issued EGP 4.2 billion worth of loans, growing by 81% Y-o-Y and 45% Q-o-Q. Growth was driven by various offers and promotions that were launched during the quarter. The number of transactions totaled c.945k, implying an average ticket size of EGP4.4k (-7% Y-o-Y; +8% Q-o-Q). GMV reached EGP5.2 billion, more than doubling Y-o-Y (+112%) and increasing by 65% Q-o-Q.

Gross outstanding portfolio (including the securitized portfolio) reached EGP11.3 billion by the end of September 2024, up 29% Q-o-Q and 68% Y-o-Y. During the quarter, Valu concluded one wave of securitization worth of EGP1.3 billion, bringing the total securitizations amount to EGP11.5 billion.

Valu’s merchant network as of Sep 2024 reached 7,815 (+35% Y-o-Y; +5% Q-o-Q). Top merchants include Dream Telecom, Amazon and 2B. Total app downloads reached 1.8 million downloads, of which 43% were active accounts, stable Q-o-Q.

Geographical Presence

3Q24	2Q24	1Q24	4Q23
Greater Cairo	Greater Cairo	Greater Cairo	Greater Cairo
Alexandria	Alexandria	Alexandria	Alexandria
Gharbia	Gharbia	Gharbia	Gharbia
Dakahlia	Dakahlia	Dakahlia	Dakahlia
Sharkia	Sharkia	Sharkia	Matruh
Matruh	Matruh	Asyut	Red Sea
Asyut	Asyut	Suez	Sharqia
Suez	Suez	Damietta	Asyut
Damietta	Damietta	Red Sea	Qalyubia
Ismailia	Ismailia	Ismailia	Beheira
Red Sea	Red Sea		Damietta
Port Said	Port Said		
Qalyubia	Qalyubia		
Beheira			
Kafr El-Sheikh			

Source: Valu

Portfolio Quality & Provisions

The portfolio increased 46% Q-o-Q, driven by the growth in the number of transactions and client base. The risk indicators were enhanced over the past quarter due to collection performance. Recoveries reached EGP10 million from 180+ and EGP2.6 million from written-off accounts during the quarter. Provision coverage remained stable Q-o-Q, at 3.3%.

iii. Leasing

Results at a Glance and Performance Overview

	KPIs							
	3Q24	2Q24	3Q23	Q-o-Q	Y-o-Y	9M24	9M23	Y-o-Y
Number of new contracts	11	8	19	38%	-42%	26	62	-58%
Total Outstanding Portfolio ⁽¹⁾ (EGP mn)	10,466	8,770	6,105	19%	71%	10,466	6,105	71%
On-books Outstanding Portfolio ^{(1)*} (EGP mn)	6,246	6,882	4,302	-9%	45%	6,246	4,302	45%
NFA for new contracts (EGP mn)	578	1,414	398	-59%	45%	3,269	2,357	39%
Receivables Value of new contracts** (EGP mn)	1,059	2,541	724	-58%	46%	1,059	4,091	-74%

(1) Includes VC transactions. Excludes Securitized Portfolio principle amount of EGP2,211 million

* Includes on-balance sheet transactions only

** The receivables value of the new contracts (contract value + future interest payments)

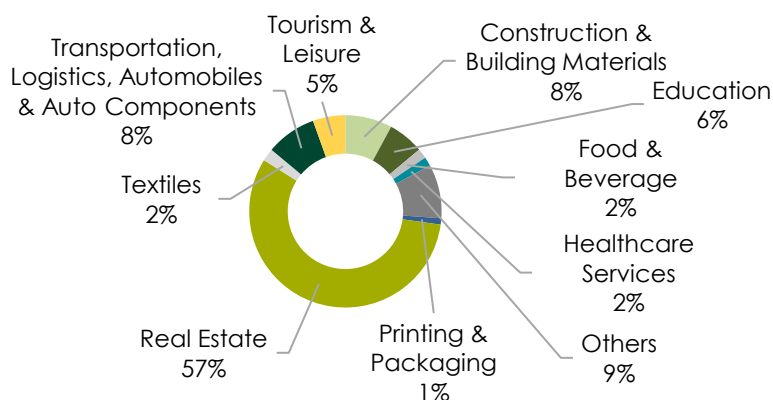
Source: EFG Finance Leasing

In 3Q24, the leasing business continued to show strong resilience. NFA sales were lower than in 2Q24, as 2Q24 was an exceptionally strong quarter; however, 3Q24 still achieved impressive Y-o-Y growth of 45%. Thus, total outstanding portfolio reached EGP10.5 billion, up 71% Y-o-Y.

Furthermore, the company maintains a robust pipeline with EGP2 billion in financing opportunities, working with major players across different industries.

Additionally, the company increased its bookings by 39% Y-o-Y for the first nine months despite the challenges posed by the CBE directive, which has restricted banks from providing financing to leasing companies beyond 5% of their loan portfolios.

Portfolio Distribution by Client Industry



Source: EFG Leasing

Real Estate continues to dominate within the leasing portfolio, comprising 57% of total industry concentration. To ensure secure business practices and mitigate concentration risk, we have implemented additional security measures. These include requiring extra collaterals from Real Estate clients and introducing a new risk matrix specifically crafted for new real estate bookings.

Portfolio Quality & Provisions

In 3Q24, the provision balance increased by an additional EGP2 million to cover the general provision for the leasing portfolio. The leasing portfolio's provision coverage continues to be thoroughly monitored, maintaining a provision coverage of 2.1% compared to 1.9% a quarter earlier. The adjusted PAR levels remain within acceptable thresholds standing much lower than the provision coverage.

iv. Factoring

Results at a Glance and Performance Overview

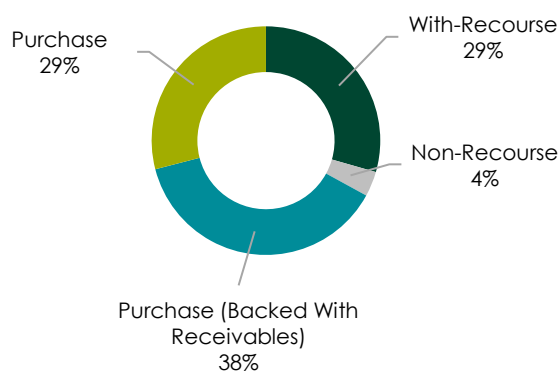
	3Q24	2Q24	3Q23	Q-o-Q	Y-o-Y	9M24	9M23	Y-o-Y
Number of Existing Clients	51	71	76	-28%	-33%	51	76	-33%
Total Outstanding Portfolio (EGP mn)	3,794	2,264	2,152	68%	76%	3,794	2,152	76%
Average Portfolio Tenor (days)	274	226	259			274	259	
Average Ticket Size (EGP mn)	31.1	26.8	7.0	16%	343%	22.3	6.8	230%
Net Financed Amount (EGP mn)	2,422	1,391	1,318	74%	84%	4,263	4,288	-1%

Source: EFG Factoring

The factoring business line achieved record-breaking bookings this quarter, continuing its growth momentum from the previous period. This performance was driven by significant new drawdowns from major real estate developers as well as prominent players in the resilient energy and F&B sectors.

As a result, the factoring portfolio closed the quarter at EGP 3.8 billion, marking an impressive EGP1.5 billion increase Q-o-Q and 76% Y-o-Y growth. This underscores the resilience of the factoring segment amidst challenging market conditions and rising interest rates, demonstrating the sustained demand for working capital financing in a high-inflation environment with constrained market liquidity.

Portfolio Analysis

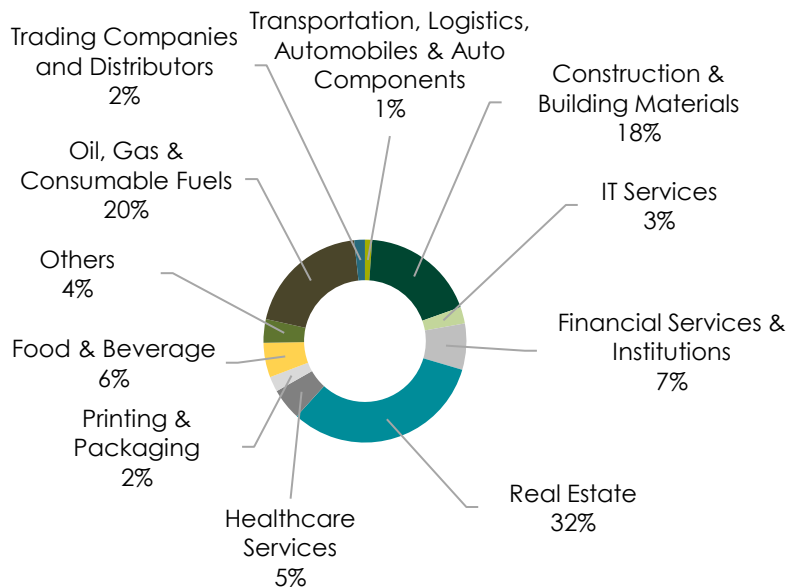


Source: EFG Factoring

As of 3Q24, the Factoring portfolio is predominantly represented by Purchase/PO (Backed with Receivables) with a 38% contribution, as most companies require pre-shipment financing to fuel their operating activities. Receivables With-Recourse had the second highest contribution with a 29% stake, given the product's simplicity and well-known structure. Purchase/Purchase Order Factoring came at a close third contribution with a 29% stake, as this product is extended to a certain criterion of clientele, given its flexible and enticing terms for financing.



Portfolio Breakdown by Industry



Source: EFG Factoring

Portfolio Quality & Provisions

Factoring provision expense increased by EGP11 million in 3Q24, mainly due the increase in the portfolio size.

Provision coverage declined from 4.4% in 2Q24 to 2.9% in 3Q24, namely driven by the increase in portfolio size. Lastly, PAR ratios significantly dropped from 8.4% in 2Q24 to 3.5% in 3Q24; mainly due to better collection efforts and phase-out from several under-performing accounts.





BANK NEXT™

The Commercial Bank



Financial Overview

I. Performance Overview (P&L)

BANK NXT Performance Summary

<i>in EGP million</i>	3Q24	2Q24	3Q23	Q-o-Q	Y-o-Y	9M24	9M23	Y-o-Y
Net Interest Income	985	1,011	634	-3%	55%	2,886	1,802	60%
Net Fees and Commissions	136	154	202	-12%	-33%	542	598	-9%
Other Revenues	104	74	54	41%	93%	303	104	191%
Total Net Revenues	1,224	1,239	890	-1%	38%	3,731	2,505	49%
Employee Expenses	247	230	180	7%	37%	682	520	31%
Other General & Administrative	271	336	227	-19%	19%	924	804	15%
Total Operating Expenses	517	566	408	-9%	27%	1,606	1,324	21%
Net Operating Profit (Loss)	706	672	482	5%	47%	2,125	1,181	80%
Other Expenses	49	68	19	-28%	157%	162	102	59%
Net Profit (Loss) Before Tax	657	604	463	9%	42%	1,962	1,079	82%
Net Profit (Loss) After Tax	428	426	356	1%	20%	1,329	796	67%
Net Profit (Loss) After Tax & Minority Interest	220	219	187	1%	18%	683	411	66%
Profitability Indicators:								
Net Interest Margin	5.7%	6.5%	5.2%			6.2%	4.8%	
ROAE	23.0%	24.1%	19.6%			23.8%	15.6%	
ROAA	2.2%	2.6%	1.9%			2.5%	1.6%	
Cost/Income	39.7%	37.0%	35.4%			38.2%	39.9%	

Source: : EFG Holding Management Accounts

Net interest income: decreased 3% Q-o-Q mainly due to the increase in interest expense surpassing the increase in interest income.

- ≡ **Interest income** increased by EGP483 million, driven mainly by EGP218 million increase in interest from investments, predominately from T-bills, as volume rose by EGP7.8 billion and yields by 359 bps Q-o-Q. Furthermore, interest income from banks increased by EGP154 million reflecting higher interest rates. Interest income from loans recorded an increase of EGP111 million, driven by higher yields and a slight increase in volume.
- ≡ **Interest expense** increased by EGP510 million, underpinned by an increase in customer deposits' interest expense, which rose EGP429 million. This increase reflects the 4% growth in deposits over the quarter, higher rates offered to attract and retain BANK NXT customers, and the renewal of matured term deposits on higher rates. Due to banks interest expense also recorded an increase of EGP 80 million.

On Y-o-Y basis, net interest income added 55%, derived mainly by enhanced interest margins to reflect the impact of corridor increase in 1Q24, in addition to the growth in interest earning assets Y-o-Y.

- ≡ **Interest Income** rose by EGP1.5 billion, out of which EGP746 million came from an increase in due from banks interest; in addition to, an increase of EGP 442 million generated from loans, particularly from retail loans, as the Bank focused on enhancing interest income

by concentrating on long term products with high yield. Additionally, short-term and syndication loans portfolio recorded growth Y-o-Y. Investments interest income mainly generated from t- bills, increased by EGP333 million, driven by growth in volume & rates. The increase in interest from investment was partially offset by a decline of EGP35 million in government bonds' interest, due to the reinvestment of matured bonds into higher yielding t-bills and interbank.

- ☰ **Interest Expense** increased by EGP1.1 billion to mirror the TDs and saving account new competitive rates.

NIMs: NIMs declined to 5.7% in 3Q24 down from 6.5% in 2Q24, to reflect the decrease in net interest income, which is mainly due to high cost of deposits.

Additionally, NIMs showed a significant improvement in 9M24, recording 6.2% compared to 4.8% in 9M23, mirroring high net interest income in 2024; specifically with the expansion of the corridor rate during the year.

Net fees and commission income: declined 12% Q-o-Q, primarily due to an increase of EGP28 million in commission expenses generated from auto dealers' campaign to boost booking of retail products. On Y-o-Y basis, fees & commissions declined 33%, driven by the decline in trade finance fees and commissions on credit facilities. This was partially offset by an increase in cards commissions, which was largely due to a one-off visa signing fees.

Other Revenues: recorded EGP104 million in 3Q24. This included EGP14 million of fx trading income, EGP8 million fx revaluation gain, EGP36 million of net gain from investments, and EGP17 million of dividends income.

Employees expenses: increased 7% Q-o-Q in 3Q24; mainly due to an increase in salaries, on the back of new hires, and higher medical and training expenses. Meanwhile, employee expenses increased 37% Y-o-Y in 3Q24, driven by an increase in salaries, as headcount increased, in addition to annual increases in employee salaries to mitigate inflationary pressure in Egypt.

General and Administrative expenses: edged up 6% Q-o-Q in 3Q24. Meanwhile, G&A expenses increased 65% Y-o-Y, due to higher Marketing & PR expenses, rebranding expenses, IT expenses, outsourcing expenses, and a general increase in expenses due to elevated inflation rates in Egypt.

ECL & Provisions: came at EGP55 million in 3Q24 compared to 132 million in 2Q24, reflecting the update in risk parameters in the ECL calculation. Meanwhile, ECL & provisions declined 43% Y-o-Y in 3Q24, as 3Q23 included higher provisions to enhance coverage ratio of stage 3 NPLs; a goal that was achieved by the end of 2023.

Cost/Income ratio: recorded 40% in 3Q24, up from 37% in 2Q24, reflecting the increase in expenses and decline in revenues.

II. Balance Sheet Summary

<i>in EGP million</i>	Sep-24	Jun-24	Sep-23	Q-o-Q	Y-o-Y
Cash & Due from Central Bank	3,389	5,016	5,799	-32%	-42%
Due from Banks	19,140	19,456	10,360	-2%	85%
Net Loans & Advances	24,480	24,192	22,670	1%	8%
Financial Investments	28,652	21,845	20,924	31%	37%
Other Assets	3,174	3,357	2,889	-5%	10%
Total Assets	78,834	73,866	62,642	7%	26%
Due to Banks	2,204	276	2,293	698%	-4%
Customer Deposits	66,480	64,221	52,795	4%	26%
Other Liabilities	2,259	1,834	1,427	23%	58%
Total Liabilities	70,944	66,332	56,515	7%	26%
Total Shareholders' Equity	7,890	7,534	6,127	5%	29%
Balance Sheet Indicators:					
Loans/Deposits	40%	41%	46%		
NPLs	5%	5%	6%		
Coverage Ratio	177%	173%	99%		
Total Capital Adequacy Ratio	19%	18%	16%		

*Standalone B/S

Source: BANK NXT accounts

Total assets: grew 7% Q-o-Q in 3Q24, with total assets' composition shifting towards T-bills, which was primarily funded by due to banks and deposits growth which rose 698% Q-o-Q & 4% Q-o-Q, respectively. The increase in total assets was driven by 31% increase in investments and 1% increase in net loans, with that being partially offset by a decline of 32% in cash & due from CBE.

Loans by Type

<i>in EGP million</i>	Sep-24	Jun-24	Sep-23	Q-o-Q	Y-o-Y
Corporate	14,541	14,871	14,441	-2%	1%
Retail	9,337	8,765	7,010	7%	33%
SMEs	2,860	2,743	2,689	4%	6%
Total	26,739	26,379	24,140	1%	11%

Gross Loans: added 1% Q-o-Q in 3Q24, driven by retail loans which increased 7% Q-o-Q to reflect the Bank's emphasis on locking in existing high interest rates. SMEs loans saw 4% Q-o-Q increase, to reflect the high interest rate environment, while corporate loans decreased 2% Q-o-Q, due to high loan maturities that took place in 3Q24.

Gross Loans by currency: Loans were split 88/12 between local currency and foreign currency, respectively, at the end of 3Q24 compared to 86/14 in 2Q24.

NPL ratio: NPL ratio remained unchanged Q-o-Q in 3Q24, recording 4.6%.

Coverage Ratio: Coverage ratio stood at 177% at the end of 3Q24; an improvement compared to 173% previously recorded in 2Q24.

Deposits by Type

<i>in EGP million</i>	Sep-24	Jun-24	Sep-23	Q-o-Q	Y-o-Y
CASA	30,549	29,532	23,970	3%	27%
TDs and CDs	35,107	33,962	28,055	3%	25%
Others	824	727	770	13%	7%
Total	66,480	64,221	52,795	4%	26%

Customer deposits: experienced 4% growth Q-o-Q, driven by an increase across all deposit products. This increase highlights the Bank's ability to offer competitive products.

Deposits by currency: Deposits were split 72/28 between local currency and foreign currency, respectively, at the end of 3Q24 maintaining same composition as 2Q24.

CAR Ratio:

CAR increased by 172 bps Q-o-Q, mainly due to an increase in the capital base, which was driven by retained net profit and a decline in RWAs. Additionally, CAR increased 328 bps Y-o-Y, on higher capital base which came on the back of retained net profit, however this was partially offset by an increase in RWAs due to the devaluation impact.

Branch Productivity and Efficiency Ratios

<i>in EGP million</i>	Sep-24	Jun-24	Sep-23	Q-o-Q	Y-o-Y
Employees / Branch	38	36	36	4%	3%
Gross Loans / Branch (EGP mn)*	810	799	652	1%	24%
Deposits / Branch (EGP mn)*	2,015	1,946	1,650	4%	22%
Revenue / Employee (EGP mn)	1	1	1	-5%	29%

*BANK NXT Loans and deposits per branch is calculated based on 33 branches excluding new Capital branch.

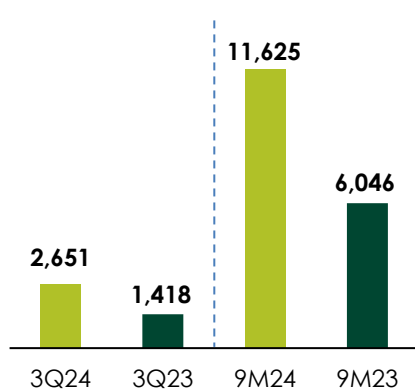
ANNEX I

Contribution by Platform

Revenues

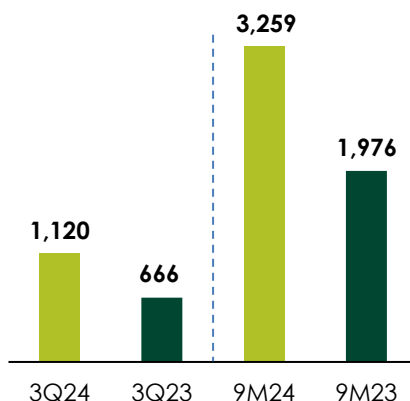
EFG Hermes

In EGP million



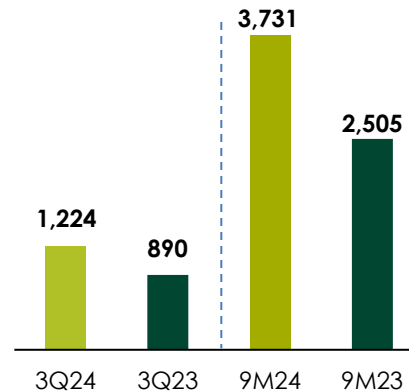
EFG Finance

In EGP million



BANK NXT

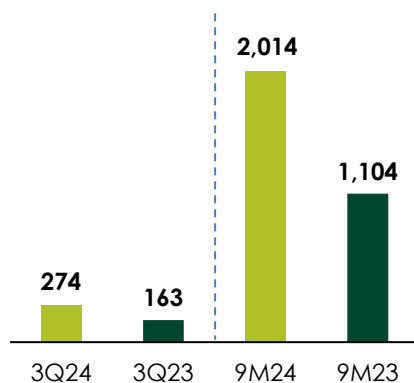
In EGP million



Attributable NPAT

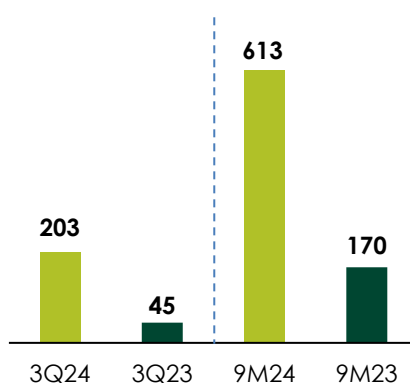
EFG Hermes

In EGP million



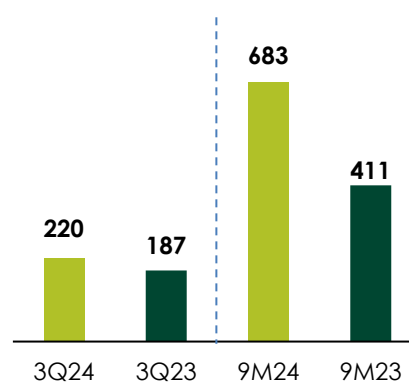
EFG Finance

In EGP million



BANK NXT

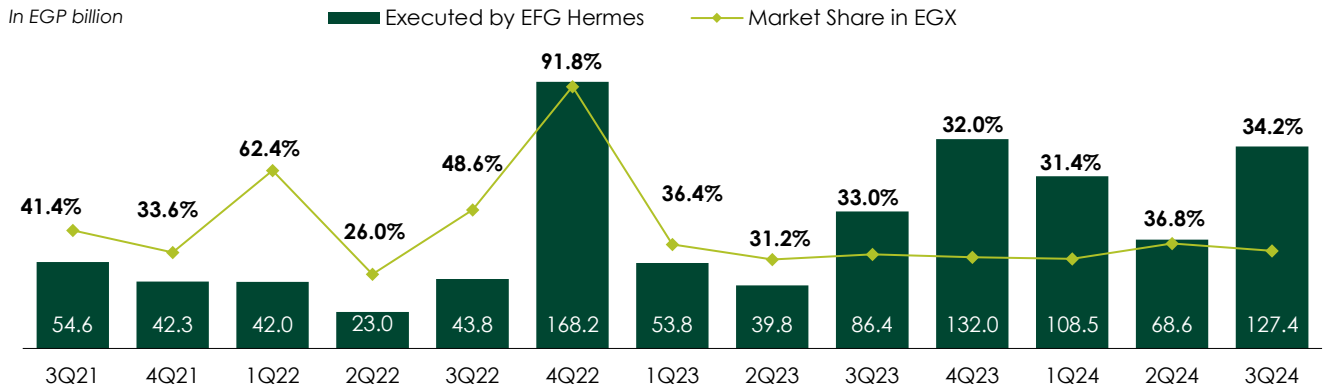
In EGP million



ANNEX II

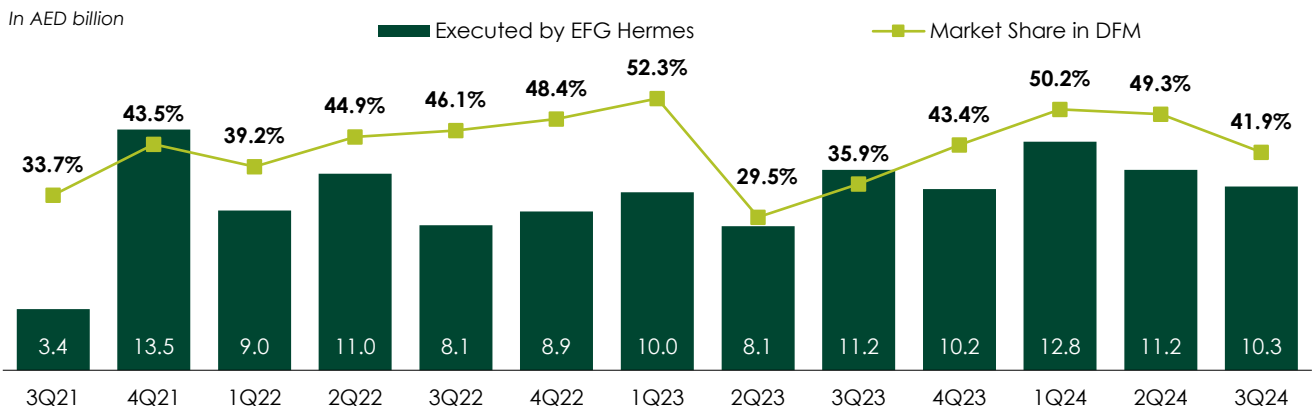
EFG Hermes Executions & Market Shares

Egypt*

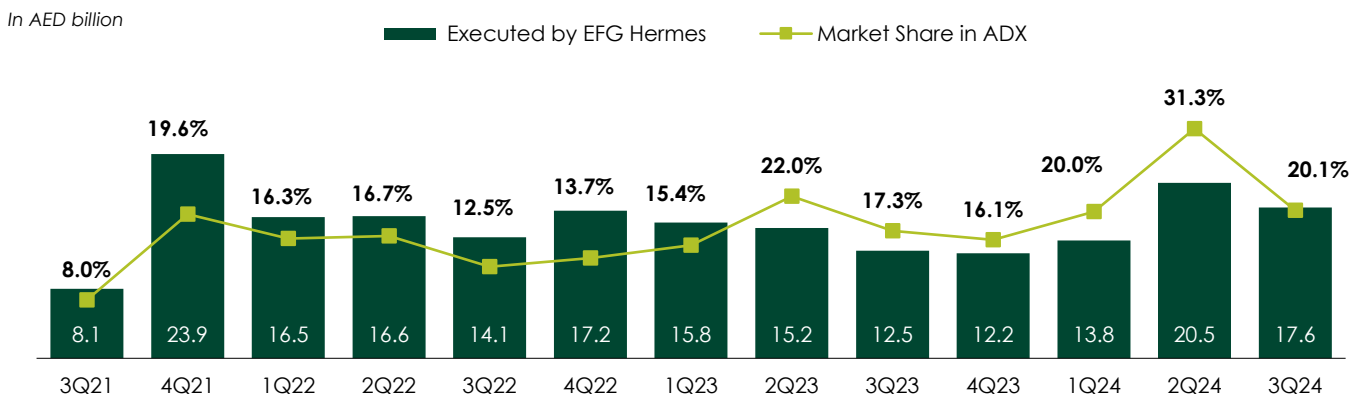


*Market share calculation without special transactions

UAE- DFM

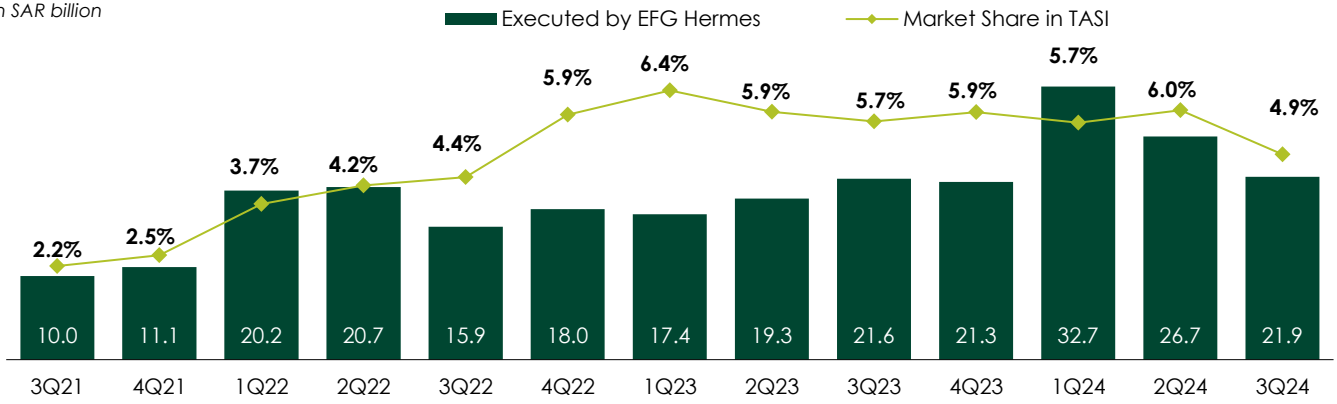


UAE – Abu Dhabi



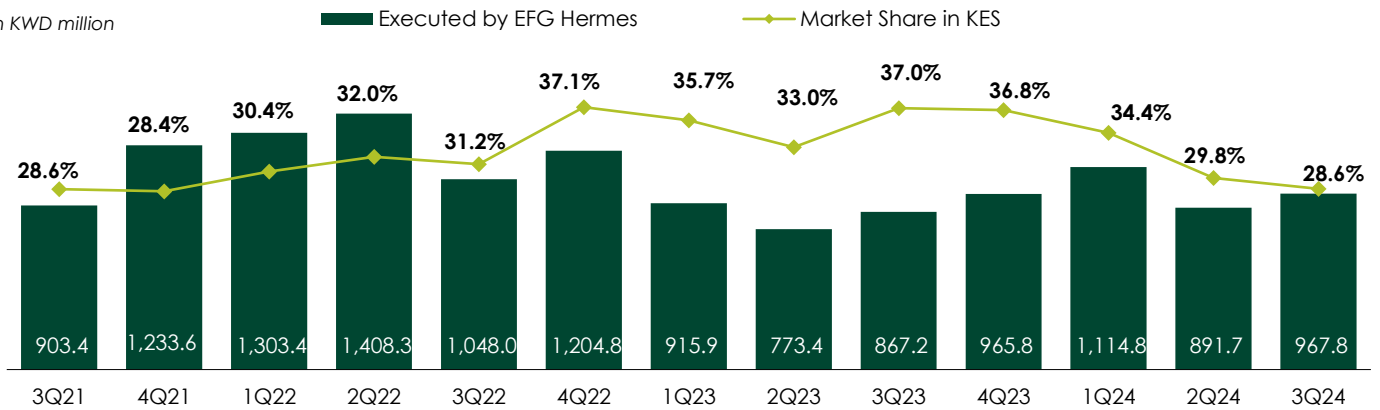
KSA

In SAR billion



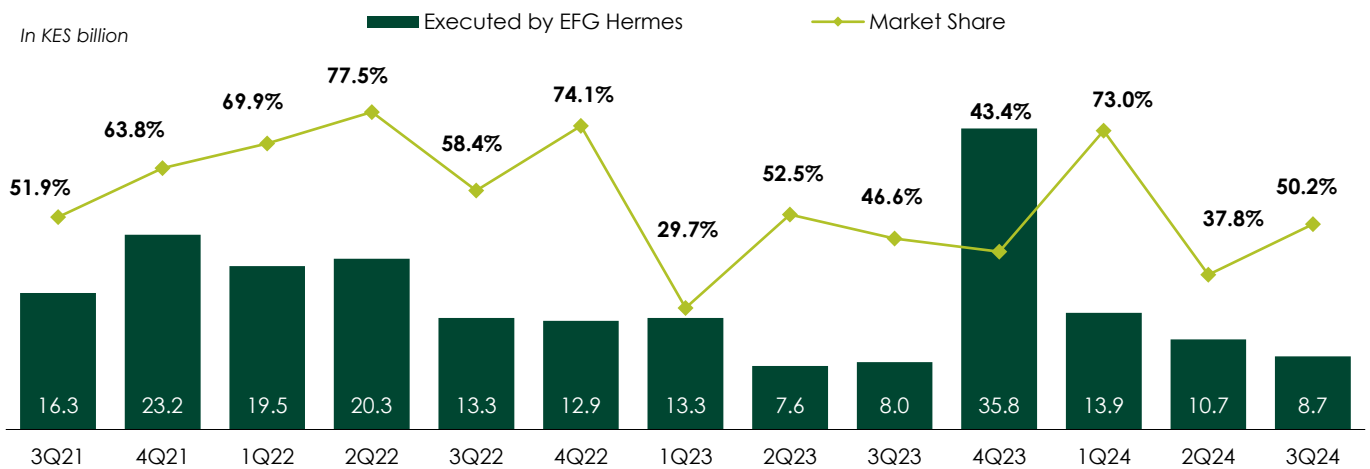
Kuwait

In KWD million



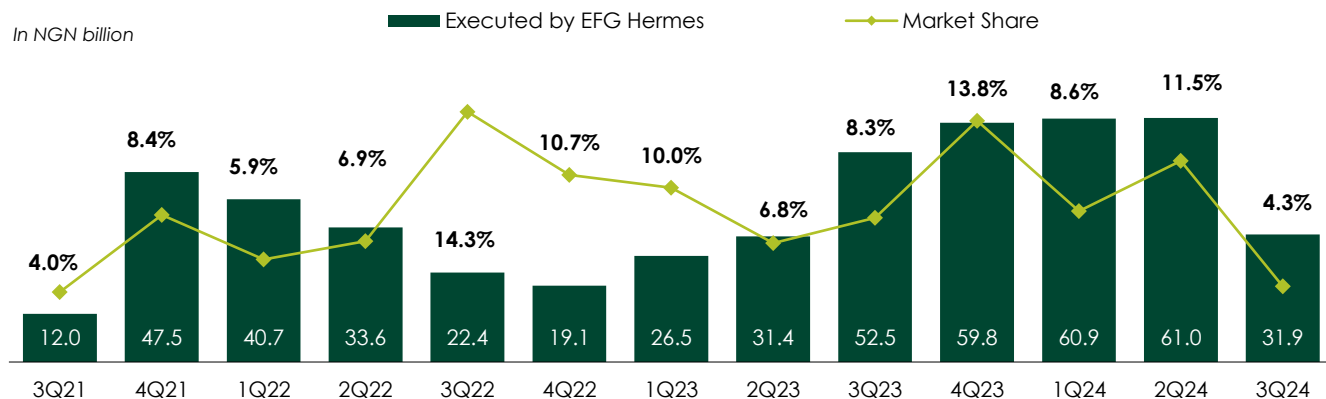
Kenya

In KES billion





Nigeria



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EFG Holding SAE has its address at Building No. B129, Phase 3, Smart Village – km 28 Cairo Alexandria Desert Road, 6 October, Egypt

Listings & Symbols

[The Egyptian Exchange](#)

Reuters code: HRHO.CA

Bloomberg code: HRHO EY

[London Stock Exchange \(GDRs\)](#)

Reuters code: HRHOq.L

Bloomberg code: EFGD LI

Bloomberg page: EFGH

Reuters pages: .EFGS .HRMS .EFGI .HFISMCAP .HFIDOM

EFG Holding (Main Office)

Building No. B129, Phase 3, Smart Village – km 28 Cairo Alexandria Desert Road, 6 October Egypt 12577

Tel +20 2 353 56 499

Fax +20 2 353 70 942

www.efghldg.com